Friends of the ANU Centre for Economic History,

In this issue, we have a summary of a keynote lecture delivered by Jari Eloranta (Appalachian State) at the 2016 Asia-Pacific Economic and Business History conference held in Adelaide; additional reporting on sessions from the American Economic Association meeting by Martine Mariotti (ANU); and synopses of the papers presented at the All-University of California Group in Economic History workshop held in Irvine, California in February by Rohan Alexander (ANU). We are continuing to add to our Source Paper series, after a three-decade hiatus, with a contribution by David Merrett (Melbourne) and Simon Ville (Wollongong); and the University of Melbourne Archives is pleased to announce a new collection of materials now available to scholars, as described by Millicent Weber (Melbourne). As always, thanks for your interest in and continued support for the Centre and economic history.

Warm regards,
John Tang, CEH Director

"The Awkward Dance between Economic and Business History: Methods and Topics for Future Collaboration"

This is a summary of the dinner keynote speech given at the Asia-Pacific Economic and Business History conference in Adelaide, Australia on 12 February 2016. Jari Eloranta is a Professor of Economic History at Appalachian State University, an adjunct Professor at the University of Jyvaskyla, and the current Secretary-General of the International Economic History Association.

The purpose of this summary is to highlight some of the issues I brought up during a dinner keynote speech at the APEBH conference recently. First, I am making these observations both as a practicing economic and business historian, but also as someone who has been keenly involved in many international organizations and projects in these fields, both in the United States and elsewhere. I argue that economic and business history have become both more distinct as fields as well as needlessly distant from one another in the last 50 years or so. Both are relatively small disciplines, and the small size, and the interdisciplinarity of both, has made it more difficult for them to grow or, in some cases, maintain a foothold in universities around the world. I will also offer some thoughts on how to improve collaborations between the two fields. (cont. next page)

Jari Eloranta (Image: University News, Appalachian State University)
"The Awkward Dance" (cont.)

First, let me highlight the fact that the separation of economic and business history was not always the case, rather it was a product of the 20th century. The development of their own distinct organizations, like the Business History Society in the 1920s and the Economic History Association in 1940, as well as new and more defined publication outlets started to drive a wedge between the two disciplines. This was further exacerbated by rivalries among the leading practitioners as well. In crude terms, business history became dominated from the 1960s onward by Alfred Chandler Jr. and his sociological school of analysis of large firms, especially related to the Second Industrial Revolution. His writings developed an entire paradigm that enabled business history to emerge as a viable separate discipline – and, in turn, various business history organizations were formed and grew rapidly in the late 20th century. In comparison, economic history as a field was upended by the Cliometric revolution in the 1950s and 1960s, when economic theories and statistical analysis of historical data came to the forefront of economic history, initiated by such prominent scholars like Robert Fogel and Douglass C. North. The Clio influence has had the most profound impact in Anglo-American countries, whereas more traditional (less quantitatively-oriented) economic history has done better elsewhere, especially in many parts of Europe. Economic history organizations have also thrived and grown, and it has become a successful sub-discipline to many others, such as economics, history, and political science. So what's the problem?

This brings me to my second observation, i.e. that the distinctions between economic and business history can be arbitrary and are dependent on the intended audience. For example, there is a noticeable divide between cliometricians and “traditional” economic historians, which is due to many factors, including geography, publication outlets and requirements, national higher education traditions and institutions, impact of leading scholars, and so on. Cliometricians on occasion overemphasize new econometric techniques and draw inspiration from current-day economic puzzles, which makes sense given that their audience usually consists of economists. “Traditional” economic historians in turn sometimes disdain the use of quantitative methods and the use of theories, which may suit historians at large better. (cont. next page)
"The Awkward Dance" (cont.)  Business historians can also be quite divided based on the topics, methods, and the audience. Some of the more theoretical business historians are nowadays employed in business schools, which necessitates the use of latest management theories and approaches. Other scholars may be employed in different settings, thus making cultural approaches to history more appealing in their work, thus downplaying the use of for example quantitative methods. Based on the work I have done with Jari Ojala and Heli Valtonen (University of Jyvaskyla), we found that business historians do not often use more complicated quantitative methods, even though their use (especially in conjunction with clear, discernible theories) can lead to higher citation counts. (Eloranta et al. 2010) Furthermore, even though economic and business historians may have something to say to each other about many relevant topics, often the disciplinary gaps are too great to make this happen. Ultimately, this is a problem, since economic history in for example the United States has been struggling in the last 15 years in the Economics Departments, despite the temporary interest spike caused by the financial crisis of 2008. The employment opportunities of the future are likely to come in a variety of forms, including History, Economics, Political Science, and other interdisciplinary institutional settings. And those settings will require intellectual and methodological openness. (next page)

New Update to University of Melbourne Archives: Bright Family Papers

The University of Melbourne Archives has recently completed a full listing of the Bright Family Papers, a collection likely to be of significant interest to researchers interested in the economic history of Bristol and the West Indies. This collection consists of over 10,000 folios dating from the sixteenth to the twentieth century. Loose business letters, accounts, partnership papers, legal documents, inventories, ledgers, and merchants’ journals provide detailed documentary evidence into the commercial and social history of Bristol and Jamaica in the eighteenth and nineteenth centuries. Particular research strengths include slavery and the transatlantic slave trade, mercantile trade, land management, inheritance, legal processes, and social history. The Archives also holds the related papers of Gibbs, Bright & Co., which provide insight into the economic expansion of British firms into Australia, New Zealand and the Americas in the nineteenth century.

To access the Bright Family Papers online, visit this link: http://tinyurl.com/gwpcjx. This finding aid contains descriptions of folders and bundles in the collection. Researchers looking for specific subjects or people are encouraged to contact archives@archives.unimelb.edu.au. -MW
"The Awkward Dance" (cont.)

My third observation is that certain methodological and institutional changes will lead these two disciplines to collaborate more in the future. Why? Because part of the problem is the inherent starting point that business history deals more with micro developments, namely firms and actors, rather than larger groups or the macro contexts. This has already changed as many scholars are embracing comparative studies of firms in broader national and international settings. Moreover, there are new ways of combining large-N and small-N perspectives in the scholarship. Large-N studies, more common in economic history, have become more and more appealing with the tremendous advances in panel data techniques and the development of large comparative databases, such as the Maddison Project and Clio-Infra (see: http://www.ggdc.net/maddison/maddison-project/home.htm; www.clio-infra.edu). The same applies to massive primary source databases, like Making of the Modern World (see: http://gdc.gale.com/products/the-making-of-the-modern-world-the-goldsmiths-kress-library-of-economic-literature-1450-1850/), which are changing the way that historians do their work. The availability of this type of data is making it easier to incorporate comparative data into historical analysis. In addition, small-N studies are becoming more appealing, rather than being some stereotypical isolated case studies, with the use of more sophisticated qualitative methods. Qualitative Comparative Analysis (QCA) is also bridging some of the gaps between the perspectives, since the practitioners advocate solutions for overcoming the small-N problem (expanding the underlying database; new analytical methods; using both quantitative and qualitative approaches; e.g., Berg-Schlosser et al. 2009; Ragin 2009; Seawright 2005). Finally, the development of new organizations and conferences in which economic and business historians interact should produce more collaborations in the future. The Asia-Pacific Economic and Business History Conference is one example of this. In addition, the conferences that are more welcoming of different methodological and topical persuasions have become extremely successful and big in size, for example the Social Science History Conferences in Europe and the US, or the World Congresses of Economic History.

While I would advocate for methodological openness and competing paradigms in both fields, I also have some suggestions to push us all more in that direction. However, such discussions are meaningless if the participants do not have certain things in common to facilitate real academic exchanges. For example, I would strongly encourage business historians and “traditional” economic historians to embrace quantitative methods and the use of these new databases. In the same vein, I would hope that cliometricians make sure to present their findings in a way that is more accessible to non-quantitative scholars and engage in broader historical debates, as well as explore the new small-N approaches. Institutional theories and findings, pioneered in the newest form by Douglass C. North, can also bridge some of the gaps between the disciplines. (cont.)
"The Awkward Dance" (cont.)

Comparisons offer perhaps the best opportunities for future collaborations, since studying single national entities can be myopic. Collaborations that tackle issues like globalization waves, migrations, multinational corporations, and take into account the expansion of these disciplines in new geographic areas, such as China, India, and Latin America, offer the greatest hope for the survival, if not expansion, of both disciplines. I think most business and economic historians would identify the two fields, economic and business history, as separate disciplines – however, overemphasis on those distinctions can have detrimental impacts on the future scholarship in these fields. -JA

References:


Ragin, Charles C. "Qualitative comparative analysis using fuzzy sets (fsQCA)." *Configurational comparative methods* 51 (2009).


The second paper was by political scientists, Daniel de Kadt (MIT) and Melissa Sands (Harvard) documenting the extent of racial preferences within neighbourhoods in Johannesburg. These authors have put together an outstanding data set merging voting behaviour with residential data. They find firstly that previously white neighbourhoods that have little access to public transport are more likely to remain segregated from other races and that these neighbourhoods are least likely to vote for the African National Congress in local and national elections. The third paper by Johan Fourie and Dieter von Fintel (both of Stellenbosch University) reconsiders the reversal of fortune argument of Acemoglu, Johnson and Robinson. Fourie and von Fintel find support for the hypothesis that extractive institutions in a colonial environment lead to a decline in wealth. In addition they find that within the same country, institutions set up to encourage economic growth amongst the settler community have some spillovers into the indigenous population. The result is increased inequality within the indigenous population depending on whether the indigenous population was located close to settler communities or rather in areas where there were more extractive institutions. (cont. next page)
The final paper by Taryn Dinkelman (Dartmouth) and Martine Mariotti (ANU) looks at the impact of apartheid outside of South Africa. Their paper examines the impact of a sudden unexpected increase in migration on labour market outcomes. They find that the increase in incomes from migrant workers leads to a shift in labour supply from subsistence agriculture into more entrepreneurial service provision. They argue that the increased incomes help households alleviate a credit constraint that allows them to sell services, an activity which is more profitable than subsistence agriculture.

The second session was a broad collection of topics. The first paper by Francesco Vona (Sciences Po) looked at the impact of environmental regulation on the demand for workers with “green” skills, that is workers with skills that enable firms to become more environmentally friendly. He finds that an increase in environmental regulation increases the demand for “green” technicians.

Two papers, by the co-author pairs of Janna Johnson (Minnesota) and Morris Kleiner (Minnesota) and Kevin Stange (Michigan) and Christina Depasquale (Emory), looked at the impact of job licensing within states on the ability to migrate between states. Both papers find that having to obtain a new license in a new state hampers mobility and may be one of the reasons we have seen a decline in inter-state migration in recent years.

Finally, Taryn Dinkelman (Dartmouth) and Martine Mariotti (ANU) examined the impact on human capital attainment of Malawian communities that send migrants to work in the South African mining sector. Exploiting a sudden and unexpected increase and decrease in migration between 1967 and 1974, they find that increased migration leads to increased educational attainment of children of migrant workers. This is after dealing with migrant selection and concerns about the value of remittances. -MM
Jetlog: All-UC Conference, Irvine

A conference of the All-University of California Group in Economic History was held over 19 - 21 February in Irvine, California. This conference was made of 16 papers organized around the theme of conflict as an economic activity. The papers are briefly summarized below. Sincere thanks to Dan Bogart, UC Irvine, for hosting the conference. Links to the papers are here: http://tinyurl.com/zaj4lf6

The first two papers were given by Mark Dincecco (Michigan) and Erik Ansink (Utrecht). Mark presented 'The Economic Legacy of Warfare: Evidence from Urban Europe,' which looked at the economic legacy of warfare using geocoded locations of around 700 conflict locations, and an instrumental variable of whether the ruler was young. New evidence of the military origins of Europe's economic activity was presented, concluding that a positive legacy of warfare persists. Erik's paper on 'The economics of violence in natural states' used game theory to consider 'violence specialists' and the incentives they face in becoming part of an existing elite or a renegade warlord. The tax rate was found to be the key variable in this decision.

The next two papers were by Jim Robinson (Chicago) and Kevin O'Rourke (Oxford). Jim's paper was 'Conflict and Society in Sub-Saharan Africa,' which examined the impact of a society's lineage-based social structure on conflicts between 1997 and 2014. More conflict was found in areas with segmentary lineage organization. O'Rourke's 'Growth, Import Dependence and War' constructed a game theory model of warfare with trade to help understand the underpinnings of World War One and World War Two. The key aspect was the ability to blockage the import of raw materials from a third country. Nikolaus Wolf (Humboldt) spoke on 'Development, Segregation and Nationalism,' which looked at how the development of credit impacts relations between ethnic groups. A panel dataset of eastern provinces of German Empire 1858-1913 was used.

Metin Cosgel (Connecticut) presented his research 'Religious Differences and Civil War,' which examined how best to measure religious differences and the mechanism that transforms religious differences to violence.

Steve Nafziger (Williams) spoke about 'Collective Action and Representation in Autocracies: Evidence from Russia's Great Reforms', looking at liberalization under the threat of unrest in the context of Russian peasant unrest between 1851 and 1863. A negative relationship between unrest and political representation was found. Anne Meng's (Berkeley) paper on 'Legacies of Violence: Armed Conflict and Ruling Party Durability in Authoritarian Regimes' examined the impact of armed conflict during party formation on the subsequent organization of autocratic parties. Parties that fought in independence wars were found to not be more institutionalized, and were less prone to coups. (cont. next page)
Jakob Schneebacher (Yale) spoke ‘State Formation and Social Conflict: The Political Economy of the Swiss Old Confederacy’ used game theory to examine the formation of the Old Confederacy in Switzerland. Luz Marina Arias Lopez Montes (Centro de Investigación y Docencia Económicas) then presented “The Impact of Independence-War Dynamics on Post-Independence Fiscal Capacity in Spanish America,” which examined the impact of the wars of independence on the alliances and preferences of elites. Grace Ballor (UCLA) focused on a single firm, the Paribus Bank, and its impact on the economic integration of Europe in ‘From the Ashes: Multinational Firms as Initiators of Economic Development in Post-Conflict Europe’. A qualitative approach involving interviews and archival research was used to reposition the private sector within the context of regional economic integration. Another paper on conflict was delivered by Stergios Skaperdas (Irvine). ‘Guns, Lawyers, and Money: Economic Consequences of Costly Conflict’ viewed conflict and economics as, in some sense, two sides of the one coin. A game theory model of conflict was created in which the decision to produce armaments, as opposed to other outputs, was key.


The last two papers were by Eoin McGuirk (Brown) and Andrea de Miceli (UCLA). Eoin talked about ‘Economic Shocks and Varieties of Conflict: Global Prices, Real Income and Local Violence in Africa’, using sub-national data on food consumption and production in Africa to conclude that negative income shocks cause civil conflict. Andrea finished the conference with ‘Chasing the Key Player: A Network Approach to Myanmar Civil War,’ constructing and examining a network of Myanmar’s insurgents to identify the key belligerents in the civil war.

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